

# **MINUTES OF THE CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE**

**December 15, 1998**

The Capital Projects and Bond Oversight Committee met on Tuesday, December 15, 1998, at 1:00 p.m., in Room 129 of the Capitol Annex. Representative Robert Damron, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Robert Damron, Chairman; Senator Robert Leeper, Vice Chairman; Senator Tom Buford and Senator Denny Nunnolley; Representatives Drew Graham, Paul Marcotte, and Jim Wayne.

Guests: Roger Burge, Ron Carson, Bill Hintze and Alan Holt, Governor's Office for Policy and Management; Commissioner Armond Russ and Jim Abbott, Department for Facilities Management; Tom Howard and Kim Link, Office of Financial Management and Economic Analysis; David Bratcher, Cabinet for Economic Development; Dr. Robert Tarvin, School Facilities Construction Commission; Ken Walker, Council on Postsecondary Education; Jim Clark, Eastern Kentucky University; Elmer Gray, Western Kentucky University; Gary Grogan and Gary Cloyd, Kentucky Community and Technical College System; Mary Allen, University of Kentucky; Donnie Wainscott, Transportation Cabinet; Larry Owsley, University of Louisville; Commissioner Billy Ray Smith, Ron Egnaw and Mark Farrow, Kentucky Department of Agriculture; Tony Sholar, Kentucky Chamber of Commerce; Roy Strange, Associated Industries of Kentucky; Kim Burch, Jennifer Marsh; Charles Shirley, and Phillip Smith, LRC.

LRC Staff: Mary Lynn Collins, Pat Ingram, Jack Affeldt, Lou Pierce, and Shawn Bowen.

Press: Mark Chellgren, Associated Press; Dave Baker, Frankfort State Journal.

Representative Marcotte made a motion to approve the minutes of the November 17, 1998 meeting as submitted. The motion was seconded by Senator Buford and passed by voice vote.

Chairman Damron reviewed correspondence items in members' folders including the Kentucky Lottery Corporation's monthly financial status report for October 1998 and correspondence from Department of Parks Commissioner Kenny Rapier.

Chairman Damron announced that two Committee members, Representative Graham and Senator Nunnelley, will be retiring from the General Assembly at the end of the month. He and Senator Leeper, Vice Chairman, then recognized the two retiring legislators for their service to the Committee and to the citizens of the Commonwealth by presenting them with plaques. Chairman Damron announced that a reception in honor of Representative Graham and Senator Nunnelley would follow the meeting.

Chairman Damron said the first item of new business was Executive Order 98-1531, a reorganization order that transfers state agency oversight responsibilities for three capital projects included in the 1998-2000 Biennial Budget. Two projects are being transferred from the Department for Local Government: the Jackson County Area Vocational School project is being moved to the Department of Education and the Simpson County Industrial Park project is being moved to the Finance and Administration Cabinet. The Lake Malone State Park project is being transferred from the Tourism Development Cabinet to the Transportation Cabinet. Chairman Damron said the projects are being reassigned to consolidate related projects. Mr. Bill Hintze, Deputy Budget Director, Governor's Office for Policy and Management, added that Executive Order 98-1531 is being implemental to achieve greater economy, efficiency, and improved administration.

Senator Buford made the motion to approve Executive Order 98-1531. The motion was seconded by Representative Wayne and passed by voice vote.

Chairman Damron then introduced Mr. Ken Walker, Vice President for Finance, Facilities, and Data Management, Council on Postsecondary Education (CPE), to discuss plans for three of the new regional postsecondary education centers.

Mr. Walker said the 1998 General Assembly authorized five regional postsecondary education centers, to be jointly planned and implemented by KCTCS and selected regional universities. The proposals for three of the centers were approved by CPE at its November 9, 1998 meeting.

Mr. Walker said the Council feels very positive about these regional centers. He said the Southeast Regional Postsecondary Education Center, to be located in London, Corbin, and Somerset, represents a plan jointly developed by KCTCS and Eastern Kentucky University (EKU) to expand educational services in those three cities. (Authorized funds will be used to build new facilities in London and Corbin). At the Central Regional Postsecondary Education Center, to be located in Elizabethtown, there will be jointly planned educational offerings by the Elizabethtown Technical College, Elizabethtown Community College, and Western Kentucky University (WKU). The South Regional Center will be located in Glasgow, and educational offerings will be

offered at all levels by WKU and the Glasgow branch of the Bowling Green Technical College.

Chairman Damron asked why KCTCS and ECU plan to construct two new buildings 15 miles apart for the Southeast Regional Postsecondary Education Center, as opposed to constructing one facility to serve as the center. Mr. Walker responded that the two facilities being constructed do not amount to a cost increase over the authorized level in the Appropriations Bill. He said the plans submitted by KCTCS and ECU, and approved by the Council, recognize the level of activity that has already occurred in both Corbin and London. Mr. Walker said the Council believes planned construction of separate facilities in London and Corbin is supported by the needs analysis completed by KCTCS and ECU. He said the issue of separate facilities was not a significant one for the Council; rather, the Council focused on the provision of services for the entire region.

Chairman Damron commented that the construction of two postsecondary education centers so close together may give the appearance that a community college is being developed and expanded in Corbin for ECU.

Mr. Walker responded that the Council viewed it from the opposite perspective. KCTCS will now be involved in educational services in Corbin, as well as London. He said over time, the delivery of services by level will sort itself out with KCTCS offering services at the lower division level, and ECU offering services at the upper division and graduate level.

Chairman Damron noted that each of the regional postsecondary education centers are considered Phase I developments. He asked if there will be additional phases of development. Mr. Walker said the centers are referred to as Phase I because that is the way they are listed in the Appropriations Bill. He said the Council does not, at this time, have any plans for a Phase II for any of the centers. As the Council starts the capital planning/request process for the next biennium, there may or may not be additional phases of development recommended for the centers.

Chairman Damron asked if the funds authorized for the remaining two postsecondary education centers will be split between KCTCS and a regional university, and if so, will two separate facilities be built. Mr. Walker said a Memorandum of Agreement (MOA) has been signed between KCTCS and Morehead State University (MoSU) to construct a single facility for the Northeast Regional Postsecondary Education Center on the Prestonsburg Community College campus; another facility, authorized during the 1996 General Assembly, will be built on the Prestonsburg Community College campus and is also addressed in the MOA. He said there has been some discussion regarding the West Regional Postsecondary Education Center, but KCTCS and Murray State University (MuSU) have not yet submitted a proposal for the center.

In response to questions from Representative Wayne, Mr. Walker said sites for the regional centers were selected by KCTCS and the regional universities; the Council has not been involved in the site selection process. He said he did not know if the Governor's Renaissance Program, which encourages construction in downtown locations, has been considered as the new regional centers have been located. Jim Clark, ECU, said the center in Corbin is not located in the downtown area, but ECU did work with the mayor and the county judge in the site selection. Gary Grogan, KCTCS, said the Central Regional Postsecondary Education Center will be located on the campus with Elizabethtown Community College and Elizabethtown Technical School. He said they anticipate the South Regional Postsecondary Education Center will be located close to the Barren County High School vocational facility in Glasgow.

Chairman Damron asked who owns the Glasgow facility which WKU currently uses. Mr. Grogan said WKU currently offers classes in an old school building in downtown Glasgow; the building was purchased from the school system by a group of citizens who in turn lease it to WKU. Negotiations are presently under way to purchase property adjoining the Barren County High School for the new center.

In response to questions from Senator Leeper, Mr. Walker said a planning committee, composed of 10-15 members appointed by the president of KCTCS and the president of the affected regional university, is responsible for developing plans for the regional postsecondary education centers. He said he believed the planning committees have an equal number of representatives from each institution.

Senator Leeper asked if KCTCS and ECU are constructing the Southeast Regional Postsecondary Education Center in two locations because the planning committee could not agree on one location. Mr. Walker responded that he was not aware of this situation, and the Council did not become involved until there was a draft Memorandum of Agreement between ECU and KCTCS. He said the MOA discussed the results of the needs assessment which identified the need to construct facilities in both London and Corbin.

Senator Leeper asked if the intent of creating these regional centers is to create whole new institutions that will require more and more buildings and infrastructure. Mr. Walker said the intent of the regional postsecondary education centers is to extend the educational services of existing institutions.

Senator Leeper referred to a newspaper article in which the president of MuSU discussed a new campus of six buildings in Hopkinsville that would be a part of MuSU. Mr. Walker said the President of the Council, Gordon Davies, has stated on record that the proposal for six buildings is a separate issue from the West Postsecondary Education

Center, which is to be jointly planned and sited by KCTCS as well as MuSU. He said all the Council knew about the proposed six buildings in Hopkinsville is what has been in the newspaper.

Senator Leeper asked if the oversight responsibilities for the regional centers are negotiable between KCTCS and the regional universities. Mr. Walker responded that oversight responsibilities, such as operation of the buildings and the provision of educational services, are to be agreed to by KCTCS and the applicable regional university.

Senator Leeper asked where the money would come from for operation and maintenance of the regional postsecondary education centers. Mr. Walker responded that there is no operation and maintenance costs yet.

Chairman Damron said by creating a single system, the legislature wanted to empower the Council to be a strong decisive organization; he questioned whether the Council is exercising a strong position by allowing ECU and KCTCS, two organizations that are supposed to be collaborating on the construction of a single regional postsecondary education center, to construct two separate buildings within 15 miles of each other. He said he had heard stories about the KCTCS and ECU not being able to come to an agreement regarding the construction of a single facility, and if this is the case, the Council has fallen short in exerting its influence.

Mr. Walker responded that the emphasis of the Council is to extend educational services in areas where the centers are authorized. He said in the case of the Southeast Regional Postsecondary Education Center, there is already a substantial level of educational offerings in both London and Corbin. Mr. Walker said the most significant feature of Southeast Regional Postsecondary Education Center is a plan for cooperative program delivery from technical training through the masters' degree programs in three cities – London, Corbin, and Somerset.

Chairman Damron said this item was for information only and did not require Committee action.

Next, Mr. Hintze and Mr. Walker presented a report by the CPE regarding three capital project bond pools and the Student Housing Fire Safety Plan. Mr. Walker first discussed the agency bond pool and the Student Housing Fire Safety Plan. He said the 1998 Appropriations Bill authorized a \$35 million agency bond pool for the Council; the Council was directed to determine from a list of eligible projects those to be authorized to proceed with agency bonds up to the \$35 million cap. After passage of the bill, and before CPE took action on the agency bond pool, a fatal fire occurred at MuSU. The MuSU dormitory fire led the Council to take a closer look at fire safety in each of the

public universities' dormitories. Over a period of weeks, the Council developed a plan to use existing institutional resources to address fire safety issues in residential facilities. The plan included a certain number of the fire safety projects, not originally on the eligible project list, to be funded using a portion of the approved agency bond pool authorization. Mr. Walker said the Council recommended nearly \$15 million in fire safety projects, using available agency bond authorization (\$10.2 million) and agency funds (\$4.6 million). He said the fire safety projects became the top priority for the agency bond pool. In addition, CPE reviewed other bond projects advanced by the institutions, and recommended a number of those.

Mr. Hintze said enclosed in members' folders were letters from Secretary McCarty dated December 1 endorsing the Council's recommendations for allocation of the three bond pools. He explained that Secretary McCarty's November 30 letter dealing with fire safety projects makes an official budget interpretation pursuant to KRS 48.500.

Mr. Hintze said based on the heightened attention to fire safety concerns at the public universities, Secretary McCarty approved the Council's revised project listing for agency bond pool funds and allocated approximately \$10.2 million for fire safety projects. In addition, \$21.4 million was allocated for more ordinary but important needs on campuses. He said the remainder of the bond fund pool will be used for more ordinary but important needs on campuses.

Chairman Damron asked if the Council determined the allocations from the agency bond pool for each institution. Mr. Walker said there was no predetermined allocation among institutions for the agency bond pool. He said the Council asked each institution to submit preliminary plans on its fire safety needs, and to identify the funding sources.

Chairman Damron noted that the University of Louisville, Kentucky State University, and KCTCS had no projects approved as part of the agency bond pool. Mr. Walker said those institutions did not request agency bond pool authorization, and if any of those institutions have fire safety projects to be completed this biennium, they will use agency funds.

In response to another question from Chairman Damron, Mr. Walker said the Council proposes to reserve the remaining \$3.4 million in agency bond pool authorization.

Chairman Damron said Secretary McCarty's decision to allocate a portion of the agency bond pool for projects not originally on the eligible project list is an unusual emergency situation, and Secretary McCarty's letter has indicated it will not become normal operating procedure.

Mr. Hintze next discussed the Deferred Maintenance and Government Mandates Pool and the Research Equipment and Lab Replacement or Acquisition Pool. He said these two pools are major initiatives endorsed by the General Assembly. Mr. Walker said a list of projects to be funded from the Deferred Maintenance and Government Mandates Pool has been compiled by the Council and the universities, and they plan to sell bonds after the first of the year to allow the projects to move forward. He noted that there was a predetermined allocation among the institutions for the Deferred Maintenance and Government Mandates Pool, as well as a dollar for dollar matching requirement on those projects.

Mr. Walker said \$26,250,000 in bond proceeds was appropriated for the Research Equipment and Lab Replacement or Acquisition Pool. The proceeds will be split 2/3 and 1/3 respectively between the University of Kentucky and the University of Louisville, consistent with the allocation of the Research Challenge Trust Fund established under House Bill 1 during the 1997 Special Session on postsecondary education reform.

In response to a question from Chairman Damron, Mr. Walker said the higher education institutions are prepared to meet the matching requirement for the Deferred Maintenance and Government Mandates Pool. When asked specifically about KCTCS, he said he believed that KCTCS will be able to meet the match, but it may take longer to do so.

Chairman Damron said this item was for information only and did not require Committee action.

Mr. Hintze and Commissioner Armond Russ, Department for Facilities Management, then presented three projects for the Finance and Administration Cabinet. The first project Mr. Hintze discussed was the Bowling Green District Office project for the Transportation Cabinet. This project was originally authorized with \$1,400,000 from Road Funds, as a renovation of the existing facility, but after further analysis, it was determined that renovating the building was not economically feasible.

The 1998 General Assembly authorized an additional \$2,263,000 in Road Funds to build a new facility. The project was bid in November of this year, but came in over budget. Mr. Hintze said the Transportation Cabinet is now requesting \$276,000 (7.5%) from the Highway Construction Contingency Account to enable the cabinet to accept the low construction bid.

In response to a question from Chairman Damron, Mr. Hintze said this project is not required to be presented to any other legislative committee.

Representative Wayne made the motion to approve the allocation of \$276,000 from the Highway Construction Contingency Account. The motion was seconded by Representative Marcotte and passed by voice vote. The new project scope is \$3,939,000.

Chairman Damron said a list of 55 projects, authorized by the 1998 General Assembly, that have completed the architect/engineer selection process was in members' folders. He commended the Finance Cabinet for significantly accelerating the process.

Next on the agenda was a project for the South Central Regional Postsecondary Education Center in Clinton County, authorized by the 1998 General Assembly as a bond-funded project with a scope of \$6,537,000. Mr. Hintze said Clinton County wishes to use a portion of its Federal Empowerment Zone funds to supplement the South Central Regional Postsecondary Education Center project. The additional funds, \$1,309,399, will be used to provide an additional 9,000 square feet of space.

Representative Wayne made the motion to approve the scope increase for the South Central Regional Postsecondary Education Center. The motion was seconded by Senator Nunnolley and passed by voice vote. The revised project scope is \$7,846,399.

Finally, Mr. Hintze reported on the consolidation of two Kentucky Historical Society projects: the Kentucky History Center (authorized for \$25,875,000), and the Kentucky History Center Enhancement Legacy II (authorized for \$3,198,000). He said basic construction on the Kentucky History Center is nearly complete; and the Finance Cabinet is consolidating the two projects to facilitate construction work on the Barstow House, which is part of the Enhancement project and is physically connected to the History Center. He added that the History Center's construction contractor, D.W. Wilburn, is on site, and the contract will be amended to cover work on the Barstow House. Mr. Hintze stressed the consolidation will not increase the scope for the two projects, but will save time and possibly money on the Enhancement project.

Chairman Damron asked when construction of the Kentucky History Center will be complete. Commissioner Russ responded that the Historical Society will begin moving personnel into the building in January 1999, and they are scheduled to open to the general public on April 10.

Chairman Damron said several members have indicated an interest in touring the History Center once it is complete. Commissioner Russ said he would be glad to work with staff to set up a future Committee meeting at the Kentucky History Center.

Chairman Damron said this item was for information only and did not require Committee action.



Chairman Damron next introduced Larry Owsley, Vice President for Administration, University of Louisville (U of L), to discuss three projects for the school. Before beginning his presentation, Mr. Owsley addressed a question raised by Chairman Damron earlier. He said U of L did not request bond pool authorization for fire safety equipment funds because several years ago the University installed sprinklers in all its dormitories with more than three stories; the University plans to install sprinklers in the remaining three dormitories using housing and dining reserve funds.

The first item Mr. Owsley discussed was an unbudgeted lease of \$289,000 for temporary laboratory space in Glenolden, Pennsylvania. By utilizing funds appropriated to the Research Challenge Trust Fund, U of L was able to recruit from Alleghany University Dr. Suzanne Ildstad, whose work on bone marrow transplants has gained international attention. Dr. Ildstad and her staff of 40 scientists, physicians, and technicians will be moving from the leased space in Glenolden to the Baxter Research Building on the Health Services Center campus when it is completed in September 1999. Mr. Owsley said the University has arranged to pay the lessor, DuPont Pharmaceuticals Co., the remainder of Dr. Ildstad's lease until the new medical research building is ready at U of L. The University will pay the cost of the lease using private funds, in accordance with KRS 48.111 (5).

Representative Wayne made the motion to approve the unbudgeted lease between DuPont Pharmaceuticals Co. and U of L. The motion was seconded by Representative Graham and passed by voice vote.

Mr. Owsley then discussed scope increases for two University (Cardinal) Park projects: parkway field/baseball stadium (authorized scope, \$2,392,000) and a track and field/field hockey facility (authorized scope \$4,987,000). Mr. Owsley said the scope increase for the baseball facility is \$1,389,000 and the scope increase for the track and field/field hockey facility is \$2,690,000. The reason for the scope increases stems from the University's commitment to provide facilities that will satisfy gender equity issues relating to Title IX. Consistent with the initial funding, the scope increases will be funded using private donations from corporations and individuals.

Chairman Damron asked if U of L has written commitments for the private donations. Mr. Owsley said he will have written commitments before any contract is awarded. He added that he has talked with his staff about this, and they will not proceed with contracts until the University has written commitments for the donations.

Representative Marcotte made the motion to approve the scope increases for both projects.

At the suggestion of Representative Wayne, the motion was amended to include as a condition of approval for the scope increases for both University Park projects, that U of L submit to the Committee, prior to bidding construction, proof that the donors have confirmed in writing the donations. The motion was seconded by Senator Leeper and passed by voice vote. The revised scope increase for parkway field/baseball stadium is \$3,781,000 and the revised scope for the track and field/field hockey facility is \$7,677,000.

Mr. Jim Abbott next discussed a lease modification report for the Department of Juvenile Justice (PR-4232) in Franklin County. The lessor is Capital Center East and the action being taken is to acquire an additional 1,200 square feet of space at \$8.30 per square foot. Mr. Abbott reported that the department needed additional space to accommodate five new staff members and to provide a smoking room.

Chairman Damron said lease modifications of less than \$50,000 do not require action from the Committee.

Ms. Marilyn Eaton-Thomas, Kentucky Infrastructure Authority (KIA), presented one new Fund A (Federally Assisted Wastewater Revolving Fund) loan in the amount of \$6,946,681 for the city of Danville. She said the city is proposing a major upgrade and expansion of its wastewater treatment plant to accommodate growth of the city. The interest rate is 3.8% for a term of 20 years. The city is proposing a rate increase of 31%, effective July 1999, to accommodate the debt service on the loan, and the average user bill will increase from \$9.29 per month to \$12.25 per month.

Ms. Eaton-Thomas said KIA staff is recommending approval of this project, subject to the condition that the engineering contract between the city and PDR Engineers be approved before any payment for engineering services is released.

Representative Graham made a motion to approve the KIA Fund A loan for the city of Danville, subject to the approval of the KIA Board, due to meet later in the week. The motion was seconded by Representative Wayne and passed by voice vote.

Mr. Tom Howard, Office of Financial Management and Economic Analysis (OFMEA), presented a new bond issue report for Kentucky Economic Development Finance Authority (KEDFA) Variable Rate Demand Hospital Revenue Bonds, Series 1999B and 1999C. These conduit bonds are being issued for the Baptist Healthcare System Obligated Group and will finance additions and improvements to Western Baptist Hospital in Paducah, Baptist Hospital East in St. Matthews, Central Baptist Hospital in Lexington, Baptist Regional Medical Center in Corbin, and Tri-County Baptist Hospital in LaGrange. The net proceeds are estimated to be \$150,000,000; a variable interest rate will apply; the proposed date of sale is January 27, 1999; the bond ratings are AAA by

Moody's and Standard and Poor's; and the length of term is 32.5 years. The bond issue is a negotiated sale with Harper, Ferguson & Davis serving as bond counsel; Jones, Day, Reavis & Pogue as underwriter's counsel; Goldman, Sachs & Company as underwriter; and National City Bank of Kentucky as trustee.

Representative Wayne made a motion to approve the KEDFA issue. The motion was seconded by Representative Graham and passed by voice vote.

Next, Mr. Howard presented three follow-up reports for previously approved bond issues. The first two follow-up reports were for KEDFA Hospital Refunding and Revenue Bonds, Series 1998A and Series 1998B for the Highlands Regional Hospital Project. The proceeds from the series will be used to refund the Floyd County 1991 Series Refunding Bonds, and a portion of the Medical Building Funding Corporation IV Series 1993 Flexible Term Notes, as well to purchase and install hospital equipment. The gross proceeds are \$16,880,000 (Series A-\$14,440,000 and Series B-\$2,440,000); the final maturity date is August 1, 2013, for Series A and August 1, 2003, for Series B; the interest rate was 4.49% for the Series A bonds and 5.49% for the Series B bonds; and the bonds were rated A1 by Moody's. For both Series A and B, the bond issue was a negotiated sale with Wyatt, Tarrent & Combs as bond counsel; Ross, Sinclair & Associates as financial advisor and underwriter; and Star Bank as trustee.

The last follow-up report Mr. Howard discussed was for Kentucky Asset/Liability Commission (KALC) General Fund Project Notes, 1998 Second Series A. The gross proceeds from this bond issue, \$126,500,000, will be used to provide interim financing for Surplus Expenditure Plan projects in anticipation of the issuance of long-term bonds to be issued by the State Property & Buildings Commission. Mr. Howard said the final maturity date is November 1, 1999 and the coupon rate was 3.5%. The bond issue was a negotiated sale with Lehman Brothers as underwriter; Peck, Shaffer & Williams as bond counsel; Brown, Todd & Heyburn as underwriter's counsel; and Bank One as trustee.

Chairman Damron said these bond issues were approved during previous Committee meetings and no further action was required.

Chairman Damron then asked Senator Leeper to take over duties of the Chair for the next two agenda items. Senator Leeper called on Mr. Howard to present 14 new School Facilities Construction Commission (SFCC) bond issues, none of which required a tax increase: Ashland Ind. (Boyd Co.) - \$2,250,000 to complete renovations to the high school; Breckinridge Co. - \$1,730,000 to complete renovations and improvements to the elementary school; Caverna Ind. (Barren Co.) - \$1,665,000 to refund 1990 and 1992 bonds; Clark Co. - \$4,195,000 to refund 1992 bonds; Franklin Co. - \$2,595,000 to complete improvements to the high school; Hazard Ind. (Perry Co.) - \$322,000 to complete renovations to a high school, an elementary school, and a middle school;

Henderson Co. - \$3,800,000 to complete additions and renovations to the high school; Laurel Co. - \$5,100,000 to complete renovations to three elementary schools; Russell Co. - \$1,200,000 for improvements to the middle school and the elementary school, and to purchase land for a new elementary school; Russell Ind. (Greenup Co.) - \$1,490,000 to complete additions and renovations to an elementary school, a middle school, and a high school; Scott Co. - \$6,500,000 for Phase I and Phase II improvements to an elementary school and \$14,755,000 to refund 1995 bonds; Taylor Co. - \$1,205,000 to complete Phase II improvements to a middle school; and Union Co. - \$2,825,000 to complete additions and renovations to two elementary schools.

Representative Graham made a motion to approve the school bond issues with SFCC participation in debt service. The motion was seconded by Representative Marcotte and passed by voice vote. Chairman Damron abstained from the vote, citing a possible conflict of interest.

Senator Leeper said there were four 100% locally-funded school bond issues: Fulton Co. - \$345,000 for districtwide energy improvements; Jessamine Co. - \$7,640,000 to refund 1994 bonds; Lewis Co. - \$446,000 for districtwide energy improvements; and Ludlow Ind. (Kenton Co.) - \$1,370,000 for additions and renovations to the high school.

Senator Leeper said no action was required on school bond issues that are 100% locally-funded.

Chairman Damron said the following items were enclosed in members' folders: the updated weekly and monthly debt issuance calendar; program evaluation criteria from the Purchase of Agricultural Conservation Easements (PACE) Program; a list of 1998–2000 authorized state projects which have completed the architect/engineer selection process; project Memoranda of Agreement approved by the Government Contract Review Committee on December 8, 1998; and a Committee newsletter.

Chairman Damron said the next meeting is tentatively scheduled for January 19, 1999, at 1:00 p.m. in Room 129 of the Capitol Annex.

With there being no further business, Representative Wayne made the motion to adjourn the meeting. The motion was seconded by Representative Marcotte and approved by voice vote. The meeting adjourned at approximately 2:30 p.m.